

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

October 24, 2008

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.:08KD-118

KAUAI

Set Aside to Department of Land and Natural Resources,
Division of State Parks for Addition to Wailua River State
Park, Lihue, Kauai, Tax Map Keys: (4) 3-9-4:1, 2, 8 and 4-2-3-
3, 5.

APPLICANT:

Department of Land and Natural Resources, Division of State Parks

LEGAL REFERENCE:

Section 171-11, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands situated at Wailua, Lihue, Kauai,
identified by Tax Map Keys: (4) 3-9-4:1, 2, 8, and 4-2-3:3, 5, as
shown on the attached map labeled Exhibit A.

AREA:

7.824 acres, 22.160 acres, 8.280 acres, 19.405 acres, 4.406
acres, more or less.

ZONING:

State Land Use District: Conservation/Rural
County of Kauai CZO: Open

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State
Constitution: YES _____ NO x

CURRENT USE STATUS:

Encumbered by General Lease No. S-5518, Richard Jasper, Lessee,
for pasture purposes. Lease to expire on January 31, 2012.
Annual lease rent is \$560.

Encumbered by General Lease No. S-4968, Smith's Motor Boat Service, Inc., Lessee, for operating a floral garden and allied facilities. Lease to expire on July 2, 2020. Annual lease rent is \$49,200 or 7% of gross sales, whichever is greater.

Encumbered by General Lease No. S-5580, Michael Fernandes, Lessee, for pasture purposes. Lease to expire on May 26, 2014. Annual lease rent is \$172.

Encumbered by Revocable Permit No. S-7308, Mary Thronas Trustee, Permittee, for pasture purposes. Month-to-month tenancy. Annual permit rent is \$504.

Encumbered by General Lease No. S-3674, William Fernandes, Lessee, for Hawaiian Museum and allied purposes. Lease to expire on December 17, 2021. Annual lease rent is \$12,000.

PURPOSE:

Addition to Wailua River State Park purposes.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This action before the Board is merely a transfer of management jurisdiction and does not constitute a use of State lands or funds, and therefore, this action is exempt from the provisions of Chapter 343, HRS, relating to environmental impact statements. Inasmuch as the Chapter 343 environmental requirements apply to Applicant's use of the lands, the Applicant shall be responsible for compliance with Chapter 343, HRS, as amended.

APPLICANT REQUIREMENTS:

None

BACKGROUND:

The Wailua River State Park is one of the most popular recreational destinations on the island of Kauai. Thousands of tourists each year make their way up the rivers' south fork via tour barge, kayak, or motor boat to visit the renowned Fern Grotto. Navigating up the rivers' north fork leads to a trail-head and an easy hike to one of the islands' most beautiful waterfalls. On the rivers' lower half, families congregate on the grassy shorelines and sandy beaches to picnic and swim. The river attracts watercrafts including ski boats, Hawaiian paddling canoes, fishing boats, sailboards, and more.

The Wailua River State Park consists of lands and river encumbered by Governor's Executive Order No. 1771 for the Wailua River Reserve and Wailua Fern Grotto, Governor's Executive Order Nos. 2023 and 2423 for the addition to the Wailua River State Park.

Located between Executive Orders (1771 and 2023) are three State properties managed by Land Division: General Lease No. S-4968, General Lease No. S-5518, and General Lease No. S-5580. These tenants have to cross through Executive Order 2023. Located adjacent (or nearby) to Executive Order 2423 are two State properties managed by Land Division: Revocable Permit No. S-7308 and General Lease No. S-3674.

In the area, there is another Governor's Executive Order No. 2022 to Division of State Parks for Poliahu Park.

Staff recently discovered Fiscal Office was transferring General Lease No. S-4968 annual rent and percentage rent payments to State Parks Special Fund. This resulted in staff reviewing all its tenant's files.

ANALYSIS:

Originally, staff had requested State Parks to return the rent monies paid by Smith's Motor Boat Services to Land Division. Unfortunately, State Parks is unable to return past payments because it relies heavily on the revenues from Smith's Motor Boat Services.

Thus, staff reviewed its tenants located within (or adjacent or nearby) to the Wailua River State Park boundaries. Four leases were issued pursuant to a public auction. The sole revocable permit was issued after the expiration of General Lease No. S-5114. All tenants are currently in good standing. General Lease No. S-4968 is an improved botanical and cultural garden, further enhancing the experience of the Park. The other two leases are unimproved and in pasture use. They may not contribute to the Park experience now, but could one day when the public requires additional park space. Revocable Permit No. S-7308 and General Lease No. S-3674 are adjacent (or nearby) to Governor's Executive Order No. 2423 with boundaries fronting Wailua River. Revocable Permit No. S-7308 is unimproved and in pasture use. General lease No. S-3674 is an improved Hawaiian cultural museum - Kamokila Village. The property consists of several Hawaiian thatched buildings with open areas used for activities such as cultural demonstrations and exhibits, festivals, luaus, etc.

Transferring the five State properties to State Parks would provide for efficient management and revenues. Annual revenues would amount to \$62,436 plus. State Parks will be responsible for 20% entitlement to the Office of Hawaiian Affairs.

Comments were solicited from:

DHHL	No comments
County Planning Department	No objections
OHA	No objections

RECOMMENDATION:

That the Board, subject to Applicant fulfilling the Applicant Requirements above:

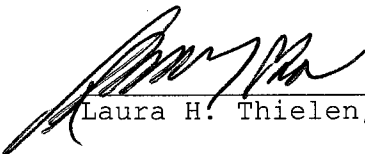
1. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject lands to Department of Land and Natural Resources, Division of State Parks under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
 - A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
 - B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
 - C. Review and approval by the Department of the Attorney General; and
 - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
2. Transfer General Lease Nos. S-5518, S-4968, S-5580, S-3674 and Revocable Permit No. S-7308 to the Division of State Parks.

Respectfully Submitted,



Charlene E. Unoki
Assistant Administrator

APPROVED FOR SUBMITTAL:



Laura H. Thielen, Chairperson



